GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:448
ANSWERED ON:03.02.2017
Tax Relief under GST
Maragatham Smt. K.

Will the Minister of FINANCE be pleased to state:

(a) whether any differences have surfaced between the Centre and States on some crucial issues during the GST Council meeting held very recently and if so, the details thereof;

(b) whether some States have refused to accept the proposal of the Centre to share the revenue impact of keeping area based excise sops for the residual period of their tenure by the States and if so, the details thereof;

(c) whether the States have also expressed their reservations over the Centre"s plan to keep all 11 lakh existing Service Tax assesses under its administrative control in the Goods and Services Tax regime; and

(d) if so, the details thereof and the reaction of the Central Government thereon?

Answer

The MINISTER OF STATE IN MINISTRY OF FINANCE

(a) All decisions of GST Council so far have been taken unanimously. Various states may have different points of view on an issue but the final decisions have been unanimous.

(b) The issue regarding treatment of the existing tax incentive schemes of the Central and State Governments was discussed during the 2nd Meeting of the GST Council held on 30th September, 2016 and the Council agreed that all entities exempted from payment of indirect tax under any existing tax incentive scheme shall pay tax in the GST regime and that in case the Central or State Government decided to continue any existing exemption/incentive/deferral scheme, then it shall be administered by way of a reimbursement mechanism through the budgetary route.

(c) & (d) In the ninth meeting of GST Council held on 16th Jan, 2017, it has been agreed that for taxpayers with turnover below Rs.1.5 Crore, 90% of the taxpayers shall be under the administrative control of the State tax administration and 10% shall be under the administrative control of the Central tax administration. It has also been decided that the total number of taxpayers with turnover above Rs.1.5 Crore shall be divided equally between the Central and State tax administrations.